THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) The tentative liability of Rs. 87.61 lakhs in respect of Oxytetracycline and its formulations and Rs. 98.00 lakhs in the case of Multivitamin formulations, were communicated to M/s Pfizer vide letters dated 4.6.90 and 11.2.91 respectively. The company however requested for personal hearing to explain its case in detail. The hearings were granted, the Speaking Orders were passed vide letters dated 12.12.91 in both the cases, in which the plea of the company were rejected and its liability was maintained at Rs. 87.61 lakhs and Rs. 98.00 lakhs respectively. The company made yet another representation which was finally rejected with the approval of the competent authority. The company has, however filed Writ Petitions in the Bombay High Court, in April, 1992, in both the cases and therefore, the matters are sub-judice at present. In yet another case, relating to Protinex, for which some data become available from M/s. Pfizer after a number of reminders, the tentative liability of the company has been computed as Rs. 8.83 lakhs and already communicated to it vide letter dated 22-2-1992. Some more data is still awaited in this regard.

(b) to (d) No, Sir. There is absolutely no basis for such a charge against the officers concerned.

**Report on import of Tolnafate and Cefotaxim**

1947. SHRI ASHOK NATH VERMA:

CHOWDHARY RAM SEWAK:

Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 303 given in Rajyja Sabha on 12.12.91 and state:

(a) whether Government have promised to call for the report on import of Tolnafate and Cefotaxim where prima facie foreign exchange is being remitted through overinvoicing;

(b) whether nothing has been done in the matter so far;

(c) what are the reasons for this inaction and what are the prices of Tolnafate, Dipyridamol, Chlopromazine, Trifluoperazine and Carbamezepine on which the formulation prices are based at present;

(d) what steps Government have taken to examine the entire matter; and

(e) what is the present position on reducing prices?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (e) This question relates to subject matter raised in Rajya Sabha Starred Question No. 303 answered on 12th December, 1991 on which Assurance was given that a report from Directorate of Revenue Intelligence would be called in regard to specific complaints. This report has since been received and the said Assurance is now in the process of being fulfilled.

**Recommending duty concessions on bulk drugs**

1948. SHRI ASHOK NATH VERMA

CHOWDHARY RAM SEWAK:

Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 2080 given in Rajya Sabha on 12th December, 1991 and state:

(a) what are the major reasons which weighed with his Ministry in recommending duty concession on bulk drugs/intermediates and formulations;

(b) what are the intermediates and formulations where even after concessions in duty for over a decade dowphasing has not been done and basic production has not been stablished;

(c) whether concessions once granted are not reviewed unless there is a complaint;

(d) what are the names of drugs and formulations, where prices have not reduced after the duty concessions fo

exemption on intermediates of finished medicines; and

(e) what are the details of cases where his Ministry refused to recommend duty concession during the last three years yearwise?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): The purpose of giving customs duty concessions on intermediates and bulk drugs is to encourage the manufacture of bulk drugs and formulations from more basic stages, as also to ensure the availability of medicines in abundant quantity at reasonable prices of the consumers. The proposals of customs duty concession are examined by this Deptt. before sending any recommendation in this regard to Ministry of Finance. The recommendation as finally accepted by Ministry of Finance are taken into account while fixing the prices of controlled bulk drugs and their formulations. For custom duty concession/exemption, on formulations, Directorate General of Health Services recommend to Ministry of Finance on the basis of their life saving nature.

(b) This Deptt. is examining the possibility of strengthening/reorganising the present administrative arrangement for monitoring the impact of customs duty concessions.

(c) to (e) The receipt of request for customs duty rationalisation and their further examination in this Deptt. before making the recommendation to Ministry of Finance is ongoing process. It is not linked necessarily every case to reduction in price of bulk drugs. The prices of Scheduled drugs are fixed from time to time in accordance with the procedures and norms laid down under the provisions of DPCO, 1987. Whenever, there in customs duty concession on any drug-/drug intarmediate, the reduced price is taken in to account for fixing the price of controlled bulk drugs & formulations. Regarding non-scheduled drugs, Govt. keeps a watch on the movement of their price. The concession/exemption of customs duty is recommended to Ministry of Finance on merits in each case.

**Price of fortum IGM Injection**

1949. SHRI ASHOK NATH VERMA: CHOWDHARY RAM SEWAK:

Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 2068 given in the Rajya Sabha on 12-12-1991 and state:

(a) whether it is a fact that a price of Rs. 263 per injection of Fortum 1 gm has made this life saving injection a life taking injection;

(b) whether it is a fact that a single company is having a monopoly its spite of turn over of Rs. 26 crores during 1990-91 and exemption of custom duty and exempted from price control;

(c) whether it is fact that price charged for the bulk drug by the parent company of Rs. 1 lakh per Kg. CIF is exorbitent;

(d) why Government have shown undue haste in exempting custom duty and what were the details of the complaints pending with his Ministry which were ignored while recommending custom duty exemption; and

(e) what steps have been taken to bring under price control?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): Fortum Injection is based on the latest generation of Cephalosporin antibiotics and is generally prescribed only when other available antibiotics fail to produce the desired results. As such even though expensive, it is a life saving injection.

(b) and (d) To the extent information is available, the annual sales turnover in respect of Fortum Injection during 1990-91 was Rs. 7.48 crores. Fortum Injection in the finished form was being imported with nil customs duty. The exemption from customs duty on this